



# PSC NEWS

## Missouri Public Service Commission

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FY-04-141

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### PSC DENIES REQUEST

Jefferson City (February 27, 2004)---The Missouri Public Service Commission has denied a request filed by the Public Service Commission Staff which asked the Commission to order Staff to investigate whether the Commission has jurisdiction over the proposed sale of various Aquila, Incorporated assets. The Commission denied the request stating the Commission does not have jurisdiction over the proposed transaction.

The issue regards the proposed sale by Aquila, Incorporated, d/b/a Aquila Networks-MPS, to Calpine Corporation, of Aquila's remaining interest in Merchant Energy Partners Pleasant Hill, LLC (MEPPH), an unregulated subsidiary of Aquila, Incorporated. MEPPH is the lessee/operator of a gas-fired electric generating facility, known as the Aries Power Project, which is located in Pleasant Hill, Missouri.

Aquila has a power sales agreement with MEPPH which is not part of the proposed sale. The Aries Power Project is an exempt wholesale generator and the power generated by the plant is sold exclusively in transactions at the wholesale level. The Aries plant is not in regulated rate base of a utility subject to the jurisdiction of the Missouri Public Service Commission.

Determining it had no jurisdiction over the proposed sale, the Commission stated in its order: "The Commission has reviewed the arguments of the parties, the relevant case law, and the statutes, along with the proposed transaction. The Commission shares Staff's (PSC Staff) concerns that resource planning be adequate. Nonetheless, the Commission finds that there is nothing in the statutes or case law that confers jurisdiction over the proposed transaction. The Commission emphasizes that this decision is one based on the law, not policy considerations. In making this determination, the Commission is not sanctioning or approving the proposed transaction. The Commission recognizes that resource adequacy considerations are addressed in other forums, and the Commission reaches no conclusions regarding resource adequacy here."

Aquila, Incorporated is regulated by the Missouri Public Service Commission. Aquila, Incorporated provides electric and natural gas service to customers in various parts of Missouri.

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